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Received
26/9/08
12:06pm

SRM Global Master Fund Limited
Partnership
PO Box 309GT
Ugland House
South Church Street
George Town, Grand Cayman
Cayman Islands

26 September 2008

BY HAND

Lehman Brothers International (Europe) (in administration)
25 Bank Street
Canary Wharf
London E14 5LE

COPY

Anthony Victor Lomas, Steven Anthony Pearson,
Dan Yoram Schwarzmann and Michael John Andrew Jervis,
in their capacities as joint administrators of
Lehman Brothers International (Europe)
(the "Joint Administrators")
25 Bank Street
Canary Wharf
London E14 5LE

Dear Sir/Madam:

ISDA Master Agreement dated as of 12 May 2008 between Lehman Brothers International (Europe) ("Lehman Brothers") and SRM Global Master Fund Limited Partnership ("SRM")

We refer to the ISDA Master Agreement dated as of 12 May 2008 between Lehman Brothers and SRM (the "Agreement"). Any defined terms used in this Letter and not otherwise defined herein are as defined in the Agreement.

Further to our letter of 19 September 2008, whereby we notified Lehman Brothers of the amount due under the Agreement as a result of the exercise of our rights under Section 6 of

the Agreement, we hereby notify you that we also exercised our right to set off under Schedule Part 5(e) of the Agreement on 22 September 2008 on the basis and as detailed below.

We note that the following liabilities were outstanding between SRM and Lehman Brothers immediately prior to set-off:

- (i) USD 49,406,007.23 owed by Lehman Brothers to SRM, being SRM's claim under the Agreement (as notified by SRM to Lehman Brothers by written notice dated 19 September 2008) in the amount of USD 49,389,923.00 plus interest accrued due on such amount of USD 16,084.23; and
- (ii) certain obligations of Lehman Brothers and SRM to each other in respect of positions governed by the terms of the International Prime Brokerage Agreement (the "**PB Agreement**") between Lehman Brothers and SRM. The various positions under the PB Agreement are detailed in Appendix 1 to this letter. We valued the non-cash balances using opening prices on 22 September 2008 and set-off all of the positions set out in Appendix 1 to result in a net amount of USD 22,943,476.00 owed by SRM to Lehman Brothers.

We included the obligations specified in sub-paragraphs (i) and (ii) above in our set-off to result in a net amount of USD 26,462,531.23, which is payable by Lehman Brothers to the following account of SRM:

UBS Securities LLC
Swift Address: UBSWUS33
A/C UBS AG, Prime Brokerage Services (Ldn)
Swift address: UBSWGB2LPBS

Following the set-off as described above, all liabilities of SRM to Lehman Brothers under the PB Agreement and the related agreements have been discharged in full and SRM reiterates its request for the return of its segregated assets (including but not limited to the shares of Virgin Media Inc. and dividends in respect of such shares, each as detailed in Appendix 2) as per the letter dated 19 September 2008 sent by our legal advisors, Clifford Chance LLP, to Lehman Brothers and the Joint Administrators.

We also demand immediate return of all margin provided by SRM to Lehman Brothers pursuant to the Master Institutional Futures Customer Agreement dated 12 May 2008 between Lehman Brothers and SRM, including applicable interest. As of close of business on 25 September 2008, this margin equals USD 8,893,650.00. This margin can be returned to SRM using the account details specified above.

This letter is sent without prejudice to any rights of SRM, its advisors and /or representatives under or in connection with the Agreement (including, without limitation, any claim under Section 11 of the Agreement), the PB Agreement or any related agreement, and all such rights are expressly reserved.

Yours sincerely,

*SRM Global Master Fund Limited Partnership,
acting through its general partner, SRM Global Fund General Partner Limited*

By: 

Name: *A. A. Marmar*

Title: *Head of operations*

Appendix 1

Description	Product Type	Quantity	Price	MTM USD	Interest owed	Dividends	Net Amount to SRM
***ASSURED GUARANTY LTD	Equity	539,028	20.05	10,807,511			10,807,511
ATOS ORIGIN SA SHR EUR	Equity	310,000	32.29	14,483,324			14,483,324
CHARTER COMMUNICATIO SHR USD	Equity	3,000,000	0.96	2,880,000			2,880,000
CHENIERE ENERGY INC SHR USD	Equity	1,000,000	2.83	2,830,000			2,830,000
EURAZEO SHR EUR	Equity	492,495	58.50	41,686,574			41,686,574
HUDBAY MINERALS INC SHR CAD	Equity	2,295,892	7.32	16,042,940			16,042,940
PARMALAT SPA SHR EUR	Equity	18,700,000	1.70	45,996,951		2,083,391	48,080,342
PORSCHE AUTOMOBIL HO PFD	Equity	463,335	88.68	59,451,020			59,451,020
RALLYE SA SHR EUR	Equity	59,995	24.85	2,157,148			2,157,148
VOLKSWAGEN AG PFD EUR	Equity	862,000	98.08	122,328,103			122,328,103
GROUPE DANONE SHR EUR	Equity	(105,313)	52.80	(8,045,526)			(8,045,526)
CASINO GUICHARD PERRS HR EUR	Equity	(124,666)	60.40	(10,894,906)			(10,894,906)
VOLKSWAGEN AG SHR	Equity	(453,000)	247.00	(161,895,088)			(161,895,088)
Cash Balance / CAD	FX SPOT	(35,723,629)	0.95	(34,101,776)	(52,316)		(34,154,092)
Cash Balance / EUR	FX SPOT	(108,732,916)	1.45	(157,325,656)	(327,371)		(157,653,027)
Cash Balance / GBP PB	FX SPOT	3,447,227	1.83	6,315,320	13,392		6,328,712
Cash Balance / USD	FX SPOT	22,601,027	1.00	22,601,027	22,460		22,623,487
Total:				652,753,629			(22,943,476)

* Reference prices are based on Bloomberg opening prices as of the 22nd September 2008

Amounts due to LBIE = 372,642,638

Amounts due to SRM = 349,699,163

Net Amount Due to LBIE = 22,943,476

Appendix 2

Description			Product Type	Quantity	MTM USD	Interest owed	Dividends	Net Amount to SRM
VIRGIN MEDIA INC	SHR	USD	Equity	5,094,060	N/A		142,634	142,634
Total:				5,094,060				142,634

Shares due to SRM =: 5,094,060 shares of Virgin Media Inc.
Monetary Amount Due to SRM = USD 142,634